



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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September 18, 2003

IN REPLY PLEASE

REFER TO FILE: PD-4

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RESOLUTION TO ACCEPT THE PROPOSITION 13 REIMBURSABLE GRANT FROM
THE CALIFORNIA DEPARTMENT OF WATER RESOURCES FOR RUBBER DAM
NOS. 2 AND 3 IN THE SAN GABRIEL RIVER AT VALLEY BOULEVARD
SUPERVISORIAL DISTRICT 1
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed Resolution accepting a Proposition 13 Reimbursable Grant from the California Department of Water Resources in the amount of \$2.15 million for the construction of Rubber Dam Nos. 2 and 3 in the San Gabriel River at Valley Boulevard.
2. Approve an exception to the County's Grant Policy and authorize the Director of Public Works, or his designee, to act as an agent for the County of Los Angeles when conducting business with the Department of Water Resources on any and all matters related to this grant, including executing the grant contract and signing the requests for disbursement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 11, 2000, your Board approved guidelines to be followed in the acceptance of any State and Federal grants of \$100,000 or more. These guidelines include a requirement that County departments prepare a Grant Management Statement for your review prior to the departments carrying out the activities covered under the grant.

Accordingly, the Grant Management Statement for this grant has been enclosed for your review. The guidelines also require that the grant contract be approved by the Board.

This Resolution will allow the County of Los Angeles Flood Control District to execute Grant Contract E90008 for a Groundwater Storage Construction Grant under the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act (Proposition 13). This Contract, between the County of Los Angeles and the Department of Water Resources is for a \$2,150,000 grant to assist in funding the County's project to construct Rubber Dam Nos. 2 and 3 in the San Gabriel River at Valley Boulevard.

The project consists of constructing two inflatable rubber dams and appurtenant structures in the San Gabriel River between Valley Boulevard and the San Jose Creek. The rubber dams will temporarily retain local stormwater runoff from the upper watershed and release the stormwater to downstream spreading basins to recharge the groundwater aquifer. This project will conserve up to 3,600 acre feet of water per year, which would otherwise discharge directly to the ocean.

We are asking the Board to approve an exception to the County's Grant Policy of requiring all grants to be approved by the Board in order to meet the requirements of the funding agency, the Department of Water Resources.

Implementation of Strategic Plan Goals

This action is consistent with the County's Strategic Plan Goal of Fiscal Responsibility since the grant will provide significant funding for the Rubber Dam Nos. 2 and 3 project in the San Gabriel River at Valley Boulevard.

FISCAL IMPACT/FINANCING

Your Board's action will have no fiscal impact on net County cost. The total project cost is estimated to be \$6.5 million. We will receive a \$2.15 million reimbursement through the Proposition 13 grant from the Department of Water Resources. The remaining project cost of \$4.35 million is included in the Fiscal Year 2003-04 Flood Control District Budget.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

The Grant Management Statement for this grant has been prepared using the guidelines established by the Chief Administrative Officer and adopted by your Board.

Accepting the grant and delegating authority to the Director of Public Works, or his designee, to act as an agent for the County when conducting business with the Department of Water Resources on items related to this grant is required by the Department of Water Resources as a condition to execute the grant contract and receive funds.

The Resolution and Grant Contract have been approved as to form by the County Counsel.

ENVIRONMENTAL DOCUMENTATION

On September 2, 2003, Synopsis 36, your Board approved the Mitigated Negative Declaration for Rubber Dam Nos. 2 and 3 project in the San Gabriel River at Valley Boulevard.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current services.

The Honorable Board of Supervisors
September 18, 2003
Page 4

CONCLUSION

Upon approval, please return two approved copies of this letter and four copies of the signed Resolution to Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

OM:nr

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Enc.

cc: Chief Administrative Office
County Counsel

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES, CALIFORNIA, ACCEPTING THE PROPOSITION 13
GROUNDWATER STORAGE CONSTRUCTION GRANT

WHEREAS, The County of Los Angeles intends to construct the San Gabriel River at Valley Boulevard Rubber Dam Nos. 2 and 3 that will increase groundwater storage capabilities that would be of general benefit to the citizens of the County; and

WHEREAS, The County Strategic Plan Goal of Fiscal Responsibility requires that departments actively seek project funds from outside agencies; and

WHEREAS, the California Department of Water Resources requires a Resolution by the local agency accepting the Groundwater Storage Project Construction Grant.

WHEREAS, the California Department of Water Resources requires the governing body of the local agency to designate a representative to execute the grant contract and to sign the requests for disbursements.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of the County of Los Angeles hereby:

1. Accepts The Proposition 13 Groundwater Storage Construction Grant for an amount of \$2.15 million from the California Department of Water Resources.
2. Authorizes and directs the Director of Public Works, or his designee, to conduct on behalf of the County of Los Angeles business with the California Department of Water Resources on any and all matters related to this grant, including executing the grant contract and signing the requests for disbursement.

The foregoing Resolution was on the _____ day of _____, 2003 adopted by the Board of Supervisors of the County of Los Angeles and ex-officio of the governing body of all other special assessment and taxing district, agencies, and authorities for which said board so acts.

VIOLET VARONA-LUKENS
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By Fredman E. Sullivan
Deputy

Los Angeles County Chief Administrative Office

Grant Management Statement for Grants \$100,000 or More

Department: Public Works		
Grant Project Title and Description: San Gabriel River at Valley Blvd. Rubber Dam Nos. 2 and 3		
Construct two inflatable rubber dams in the San Gabriel River above San Jose Creek and below Valley Boulevard to capture local runoff to provide storage for downstream spreading.		
Funding Agency State DWR	Program (Fed. Grant #/State Bill or Code #) 	Grant Acceptance Deadline June 30, 2004
Total Amount of Grant Funding: \$2,150,000		County Match: \$4,350,000
Grant Period: 2 1/2 years	Begin Date: July 03	End Date: Dec. 05
Number of Personnel Hired Under This Grant: 0	Full Time: 0	Part Time: 0
Obligations Imposed on the County When the Grant Expires		
Will all personnel hired for this program be informed this is a grant-funded program?		N/A
Is the County obligated to continue this program after the grant expires?		No
If the County is not obligated to continue this program after the grant expires, the Department will:		
a.) Absorb the program cost without reducing other services		No
b.) Identify other revenue sources (describe below)		No
c.) Eliminate or reduce, as appropriate, positions/program costs funded by the grant.		No
Impact of additional personnel on existing space: None		
Other requirements not mentioned above: N/A		

Department Head Signature

Date: 9-18-03

J. M. Alexander

Groundwater Storage
Construction Grant
Contract No. E90008

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

CONTRACT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

AND

COUNTY OF LOS ANGELES

FOR A GROUNDWATER STORAGE CONSTRUCTION GRANT UNDER THE
CALIFORNIA SAFE DRINKING WATER, CLEAN WATER, WATERSHED
PROTECTION, AND FLOOD PROTECTION ACT

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PROJECT DESCRIPTION

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

CONTRACT BETWEEN STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES AND

COUNTY OF LOS ANGELES

UNDER THE CALIFORNIA SAFE DRINKING WATER, CLEAN WATER,
WATERSHED PROTECTION, AND FLOOD PROTECTION ACT
GROUNDWATER STORAGE PROGRAM
(Water Code Section 79170 et. seq.)

THIS CONTRACT, entered into by and between the State of California, acting by and through the Department of Water Resources, herein referred to as the "State" and the County of Los Angeles a public agency in the County of Los Angeles, State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grant Recipient", which parties do hereby agree as follows:

CONTRACT SPECIAL PROVISIONS

SECTION 1. PURPOSE OF GRANT

This Grant is made by the State to the Grant Recipient to assist in financing a Groundwater Storage Project pursuant to Chapter 9 (commencing with Section 79170) of Division 26 of the California Water Code. Grant funds may be used only as provided in this contract for Eligible Project costs as included in the Project Description, a copy of which is incorporated herein and attached as Exhibit C, approved by the State and revisions thereof.

SECTION 2. INCORPORATION OF STANDARD CONDITIONS, SECURITY REQUIREMENTS, AND
GRANT RECIPIENT COMMITMENTS

This Contract incorporates Exhibit A, "Grant Contract Standard Conditions" (hereinafter referred to as "Standard Conditions"); Exhibit B, "Grant Contract Security Requirements"; Exhibit C "Project Description"; and any attachments thereto. The Grant Recipient accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Contract, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by the Grant Recipient in the application, documents, amendments, and communications filed in support of its request for Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act financing.

SECTION 3. ESTIMATE OF PROJECT COST

The reasonable cost of the Project is estimated to be \$6,503,000.

SECTION 4. GRANT AMOUNT

Pursuant to the California Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act and subject to the availability of funds, the State will provide to the Grant Recipient in accordance with the terms of this Contract an amount not to exceed \$2,150,000.

SECTION 5. GRANT RECIPIENT'S COST

The Grant Recipient agrees to fund the difference, if any, between the estimate of the Project Cost (Section 3) and the Grant Amount (Section 4). Said Grant Recipient's costs are estimated to be \$4,353,000.

SECTION 6. REQUIREMENTS FOR DISBURSEMENT

The Grant Recipient shall by December 31, 2003, meet all conditions precedent to the disbursement of money under this Contract, including Basic Conditions Precedent under Article A-3 of the Standard Conditions. Failure by Grant Recipient to comply by this date may, at the option of the State, result in termination of the Contract under Article A-5 of the Standard Conditions.

SECTION 7. OPERATION AND MAINTENANCE OF PROJECT

For a period of 50 years after completion, which is the reasonable life expectancy of the Project, in consideration of the Grant made by the State, the Grant Recipient agrees to expeditiously commence and to continue operation of the Project and shall cause the Project to be operated in an efficient and economical manner; shall provide for all repairs, renewals, and replacements necessary to the efficient operation of the same; and shall cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. Refusal of the Grant Recipient to operate and maintain the project in accordance with this provision may, at the option of the State, be considered a material breach of Contract and may be treated as default under Article B-2 of Exhibit B.

SECTION 8. RELATIONSHIP OF PARTIES HERETO

The Grant Recipient, its contractors, subcontractors, and their respective agents and employees required for performing any work under this Contract shall act in an independent capacity and not as officers, employees, or agents of the State.

The Grant Recipient is solely responsible for design, construction, and operation and maintenance of the Project. Review or approval of plans, specifications, bid documents or other construction documents by the State is solely for the purpose of proper administration of Grant funds by the State and shall not be deemed to relieve or restrict the Grant Recipient's responsibility.

SECTION 9. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS

The Grant Recipient shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Contract, including those necessary to commence design, construction, or operation of the Project. The Grant Recipient shall be responsible for observing and complying with any applicable federal, state and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement and safety laws, rules, regulations, and ordinances.

SECTION 10. GRANT RECIPIENT'S RESPONSIBILITY FOR WORK REQUIRED UNDER THE CONTRACT AND SUBMISSION OF PROGRESS REPORTS

The Grant Recipient shall submit quarterly progress reports on the status of the project to the Department of Water Resources. The submittal of these reports is a requirement for continued disbursement of State funds. Progress reports shall summarize the work completed during the reporting period, include a statement of construction progress compared to the project schedule, and provide a comparison of costs to date compared to the approved scope of work and project budget.

The Grant Recipient shall be responsible for work and for persons or entities engaged in work, including, but not limited to, subcontractors, suppliers, and providers of services. The Grant Recipient shall give personal supervision to any work required under this Contract or employ a competent representative, satisfactory to the State, with the authority to act for the Grant Recipient. The Grant Recipient or its authorized representative shall be present while work is in progress. The Grant Recipient shall give attention to fulfillment of the Contract and completion of the Project, and shall keep work under control.

The Grant Recipient shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to bid disputes and payment disputes with the Grant Recipient's contractors and subcontractors. The State will not mediate disputes between the Grant Recipient and any other entity concerning responsibility for performance of work.

SECTION 11. PROJECT OFFICIALS AND NOTICES

The State Project Manager shall be the Chief, Division of Planning and Local Assistance, Department of Water Resources. The State Project Manager shall be the State's representative and shall have the authority to make determination and findings with respect to each controversy arising under or in connection with the interpretation, performance, or payment for work performed under the Contract. Disputes shall be resolved in accordance with Article 28 of Exhibit A.

The Grant Recipient Project Director shall be Director, County of Los Angeles Department of Public Works. The Grant Recipient Project Director shall be the Agency's representative for the administration of the Contract and shall have full authority to act on behalf of the Agency, including authority to execute all payment requests. All communications given to the Project Director shall be as binding as if given to the Grant Recipient.

Either party may change its Project Manager or Director upon written notice to the other party.

Notices required to be given to the State in writing by the Grant Recipient under this Contract shall generally be sent to:

State of California
Department of Water Resources
Division of Planning and Local Assistance
Attention: Program Manager
Water Conservation Bond Law Programs
Post Office Box 942836
Sacramento, California 94236-0001

Notices required to be given to the Grant Recipient in writing by the State under this Contract shall be sent to:

Deputy Director
(Representative)

County of Los Angeles Department of Public Works
(Grant Recipient Name)

900 South Fremont Avenue
(Mailing Address)

Alhambra, California 91803
(City, State, Zip Code)

A change of address for delivery or notice may be made by either party by written notice of such change of address to the other party.

All such notices shall be enclosed in a properly addressed, postage prepaid envelope and deposited in a U.S. Post Office for delivery by registered or certified mail.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of

Approved as to Legal Form
and Sufficiency:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

By _____
Chief Counsel
Department of Water Resources

By _____
Chief, Division of Planning and Local Assistance
Department of Water Resources

County of Los Angeles

GRANT RECIPIENT

By _____
Signature

Printed Name

Title

900 South Fremont Avenue
Address

Alhambra, California 91803
City, State, Zip

EXHIBIT A

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

GRANT CONTRACT STANDARD CONDITIONS

ARTICLE A-1. DEFINITIONS

Whenever in this Contract the following terms are used, their meaning shall be as follows:

Contract: The Contract to which these Grant Contract Standard Conditions are appended and shall be considered a promissory note for the purpose of meeting the Grant Security Requirements of Exhibit B.

Days: Calendar days unless otherwise expressly indicated,

Months: Calendar month unless otherwise expressly indicated.

Years: Calendar years unless otherwise expressly indicated.

Grant Recipient: Any city, county, city and county, district, joint powers authority, or other political subdivision of the State, or an incorporated mutual water company involved in water management.

Project: All work and facilities, not including construction equipment, for the construction of a Groundwater Storage project proposed by the Grant Recipient pursuant to the plans and specifications which describe the plan of the project as submitted to the State and all addenda and changes to the foregoing documents approved by the State.

Eligible Project: A project for the construction of a Groundwater Storage project under the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, Groundwater Storage Program.

Eligible Project Costs: Reasonable and necessary costs associated with an eligible project including, but not limited to, the engineering, legal and administrative fees, land and easement acquisition, environmental documentation, environmental mitigation, and construction costs associated with the Project. Eligible costs may also include those reasonable and necessary costs incurred by the applicant to prepare the application and establish eligibility prior to or after the effective date of this Contract. Examples of ineligible costs include, but may not be limited to, the following:

- (a) Operation and maintenance costs.
- (b) Costs for purchase of movable equipment not an integral part of the project.
- (c) Payment of principal or interest of existing indebtedness or any interest payment unless:
 - (1) The State agrees in writing to the eligibility of the costs of reimbursement before the debt is incurred; and
 - (2) The purposes for which the debt is incurred are otherwise Eligible Project Costs.
- (d) Establishing a reserve fund.
- (e) Purchase of water supply for the project.

Grant Commitment: The maximum sum of money, which the State agrees to provide to the Grant Recipient under this Contract that shall not exceed \$50,000,000.

ARTICLE A-2. TERM OF CONTRACT

Subject to the provisions of Article A-3, this Contract shall become effective as of the date set forth in the contract and shall remain in effect until the Project is determined to be complete by the State.

ARTICLE A-3. BASIC CONDITIONS PRECEDENT

The State shall have no obligation to disburse money under this Contract unless and until the Grant Recipient has satisfied to the State that the disbursement is in accordance with requirements of the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act which include:

- (a) The Grant Recipient provides a copy of a resolution adopted by its governing body, accepting the Grant and designating a representative to execute the Contract and to sign the requests for disbursement.
- (b) The Grant Recipient demonstrates to the State's satisfaction the proposed Project financing has the support of a majority of the affected community by holding either an election or a widely publicized public meeting; or by any other suitable, lawful method of determining community support, at which public comments and questions are received and answered. If the Grant Recipient determines that an election is not required by law prior to the Grant Recipient's execution of this grant Contract, it shall transmit to the State an acceptable legal opinion from the Grant Recipient's counsel stating that no election is legally required, and stating the legal basis for the Grant Recipient's determination.
- (c) The Grant Recipient demonstrates to the State's satisfaction that the Grant Recipient has sufficient water available at all times and a right to use the water required to operate the Project.
- (d) The Grant Recipient demonstrates the availability of sufficient funds to complete the Project.
- (e) The Grant Recipient submits an initial budget of Eligible Project Costs on a form provided by and approved by the State. The Grant Recipient shall obtain written approval of changes to the budget from the State before any substantive changes are made, and shall thereafter provide to the State a copy of the revised budget.
- (f) The Grant Recipient submits to the State final plans and specifications certified by a California Registered Civil Engineer as to compliance with the approved Project as defined in Section 1.
- (g) The Grant Recipient submits a written statement by an authorized representative that it has obtained all necessary permits, easements, rights-of-way, and approvals as may be required by other State, federal, and/or local agencies as specified in Section 9 of this Contract.
- (h) The Grant Recipient demonstrates that it has complied with all applicable requirements of the California Environmental Quality Act and the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact reports, environmental impact statements, negative declarations, mitigation agreements, and environmental permits as may be required prior to beginning construction.
- (i) The Grant Recipient submits timely periodic progress reports as required by Section 10 of this Contract.

ARTICLE A-4. GRANT DISBURSEMENTS BY STATE

(a) Cost Statements

After the Basic Conditions Precedent in Article A-3 are met, the State will disburse the whole or portions of the Grant commitment to the Grant Recipient following receipt from the Grant Recipient of a statement or statements of incurred Eligible Project Costs, reviewed and signed by Registered Civil Engineer, on forms provided by the State, and timely progress reports as required by Section 10 of this Contract. Requests for Grant funds shall be filed monthly or for such longer periods as the State and the Grant Recipient may mutually agree. The Grant Recipient shall provide the following information:

- (1) A statement of the incurred Eligible Project Costs for work performed in constructing the Project under a construction contract or constructions contracts during the period identified in the particular statement.
- (2) A statement of the cost of any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular statement for the construction, operation, or maintenance of the Project.
- (3) A statement of other Eligible Project Costs which have been incurred for the Project during the period identified in the particular statement, including, but not limited to, legal, engineering, administrative fees associated with construction, preparation of the application, and establishing eligibility.

After the Project has been completed or terminated, the Grant Recipient shall furnish to the State within sixty (60) days, a final statement of incurred Eligible Project Costs.

Periodic cost statements and the final statement of Project Costs shall clearly delineate those costs claimed for reimbursement from the Grant Amount, Section 4 of this Contract, and those costs that represent the Grant Recipient's Cost, Section 5 of this Contract.

(b) Disbursement:

Following the review of each statement of costs, the State will disburse to the Grant Recipient the amount approved, subject to the availability of funds. Funds will be disbursed by the State in response to each approved statement of costs on a pro rata basis in accordance with the relative payment obligations of the Grant Recipient, Section 5 of this Contract, and the State, Section 4 of this Contract for the Total Project Cost, Section 2 of this Contract. Any and all money disbursed to the Grant Recipient under this Contract and any and all interest earned by the Grant Recipient on such money shall be used solely to pay Eligible Project Costs.

(c) Withholding of Grant Disbursement by Grant Recipient:

The Grant Recipient shall hold retention of not less than ten percent (10.0%) from any contract or combination of contracts until the Project or any component contract is determined to be completed pursuant to Article A-6.

ARTICLE A-5. WITHHOLDING OF GRANT DISBURSEMENT BY STATE

(a) Conditions for Withholding:

The State shall withhold ten percent (10.0%) of the funds requested by the Grant Recipient for reimbursement of eligible project costs until the Project is completed and the certification of a Registered Civil Engineer, required by Article A-6(e) of this Contract, is accepted by the State.

(b) Additional Conditions for Withholding:

If the State determines that the Project is not being constructed substantially in accordance with the provisions of this Contract, or that the Grant Recipient has failed in any other respect to comply substantially with the provisions of this Contract, and if the Grant Recipient does not remedy any such failure to the State's satisfaction, the State may withhold from the Grant Recipient all or any portion of the Grant Commitment and take any other action that it deems necessary to protect its interests.

(c) Withholding Entire Grant Commitment:

If the State notifies the Grant Recipient of its decision to withhold all of the Grant Commitment from the Grant Recipient pursuant to Subdivision (b) of this Article, this Contract shall terminate upon receipt of such notice by the Grant Recipient and shall no longer be binding on either party.

(d) Withholding Balance of Grant Commitment:

Where a portion of the Grant Commitment has been disbursed to the Grant Recipient and the State notifies the Grant Recipient of its decision to withhold the balance of the Grant Commitment pursuant to Subdivision (b) of this Article, the portion that has been disbursed shall thereafter be repaid immediately with interest, as directed by the State. Refusal of the Grant Recipient to so repay may, at the option of the State, be considered a material breach of contract and may be treated as default under Article B-2 of Exhibit B.

ARTICLE A-6. TIMING AND MANNER OF PROJECT UNDERTAKING

(a) Project Completion Date:

The Grant Recipient shall expeditiously undertake construction of the Project and shall complete it not later than December 31, 2005.

(b) Project Undertaking Pursuant to Contract:

The project shall be undertaken in strict accordance with this Contract.

(c) Determination of Project Completion:

For the purposes of this Contract, the Project shall be considered to be completed or to be terminated when so determined by the State.

(d) Competitive Bidding of Contracts and Procurements:

Any contract let for the construction of the Project, or any part thereof, which is in excess of \$20,000, or which is greater than any small amount for which competitive bids are required under the enabling authority of the Grant Recipient, shall be let by competitive bid procedures which assure award of the contract to the lowest responsible bidder, except as may be otherwise authorized in writing by the State. Requests for approval of waiver of competitive bidding, for award of contract to other than the low bidder, or for an agency to proceed on the basis of force account or day labor, or for any other procedure which deviates from the principle of competitive bidding shall be submitted to the State before the procedure is implemented. The State's approval of the procedure will be based on compliance with applicable laws and policies. The State expressly reserves the right to approve or disapprove of such requests.

Procurement of necessary supplies or equipment shall also be undertaken in such a manner as to encourage fair and competitive treatment of potential suppliers.

(e) Final Inspection and Certification of Registered Civil Engineer:

Upon completion of the Project the Grant Recipient shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Contract. The Grant Recipient shall notify the Division of Planning and Local Assistance of the Department of Water Resources of the inspection date at least 10 days prior to the inspection in order to provide the State the opportunity to participate in the inspection.

(f) Sign Referring to Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act Financing:

During construction of the Project, the Grant Recipient shall install a sign at a prominent location which shall include a statement that the Project is financed under the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act, Water Conservation and Groundwater Recharge Grant Program, administered by the State of California, Department of Water Resources. The sign shall be erected before Grant funds are disbursed. The Grant Recipient shall notify the State that the sign has been erected by providing them with a site map with the sign location noted and a photograph of the sign.

(g) Audit Requirement:

Pursuant to Government Code Section 8546.7, the contracting parties shall be subject to the

examination and audit of the State for a period of three years after final payment under this Contract with respect of all matters connected with this Contract, including but not limited to, the cost of administering this Contract. All records of the Grant Recipient or subcontractors shall be preserved for this purpose for at least three (3) years after Project completion.

ARTICLE A-7. ACCOUNTING AND DEPOSIT OF GRANT DISBURSEMENT

(a) Separate Accounting of Grant Disbursement and Interest Records:

The Grant Recipient shall account for the money disbursed pursuant to this Contract separately from all other Grant Recipient funds. The Grant Recipient shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. The Grant Recipient shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. The Grant Recipient shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the State at any and all reasonable times.

(b) Disposition of Money Disbursed:

All money disbursed pursuant to this Contract shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.

(c) Remittance of Unexpected Funds:

The Grant Recipient, within a period of thirty (30) days from the final disbursement from the State to the Grant Recipient of grant funds, shall remit to the State any unexpected funds that were disbursed to the Grant Recipient under this Contract and were not needed to pay Eligible Project Costs.

(d) Interim and Final Audits:

The State reserves the right to conduct an audit at any time between the execution of this Contract and the completion of the Project, with the costs of such audit borne by the State. After completion of the Project, the State may require the Grant Recipient to conduct a final audit, at the Grant Recipient's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant.

Failure or refusal by the Grant Recipient to comply with this provision shall be considered a substantial failure to comply with this Contract, and the State may elect to pursue any remedies provided in Article A-5 or take any other action it deems necessary to protect its interests.

ARTICLE A-8. REPORTS ON EXPENDITURE AND PROJECT CONSTRUCTION

During the planning and construction phases, the Grant Recipient agrees to provide to the State an annual summary of the information required by Articles A-4 and A-7. Within sixty (60) days of project completion, the Grant Recipient shall submit a final progress report on project construction and expenditures for the State's review and comment. The report shall be modified to incorporate the State's comments, if any, and resubmitted within sixty (60) days of the Grant Recipient's receipt of the State's comments.

ARTICLE A-9. INSPECTIONS OF PROJECT BY STATE

The State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Contract. This right shall extend to any subcontracts, and the Grant Recipient shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Contract with the State.

ARTICLE A-10. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION

The Grant Recipient shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or

used in conjunction with the Project, or with the Grant Recipient's service of water, without prior permission of the State. The Grant Recipient shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grant Recipient to make timely payments or to otherwise meet its obligations under this Contract, without prior written permission of the State. The State may require that the proceeds from the disposition of any real or personal property be remitted to the State to be applied to the Grant Recipient's indebtedness under this Contract.

ARTICLE A-11. NONDISCRIMINATION CLAUSE

During the performance of this contract, the Grant Recipient, its contractors and subcontractors shall not deny the Contract's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. The Grant Recipient shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

The Grant Recipient, its contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated there under (California Code of Regulations, Title 2, Section 7285.0 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.5) and the regulations or standards adopted by the awarding State Agency to implement such article.

The Grant Recipient, its contractors and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

The Grant Recipient shall include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts to perform work under the Contract.

The Grant Recipient's signature on this Contract shall constitute a certification under the penalty of perjury under the laws of the State of California that the Grant Recipient has, unless exempted, complied with the nondiscrimination program requirements of Government Code, Section 12990, and Title 2, California Code of Regulations, Section 8103.

ARTICLE A-12. WORKERS' COMPENSATION CLAUSE

The Grant Recipient affirms that it is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and the Grant Recipient affirms that it will comply with such provisions before commencing the performance of the work under this Contract and will make its contractors and subcontractors aware of this provision.

ARTICLE A-13. SUCCESSORS AND ASSIGNS

This Contract and all of its provisions shall apply to and bind the successors and assigns of the parties hereto. No assignment or transfer of this Contract or any part thereof, rights hereunder, or interest herein by the Grant Recipient shall be valid unless and until it is approved by the State and made subject to such reasonable terms and conditions as the State may impose.

ARTICLE A-14. STATE TO BE HELD HARMLESS

The Grant Recipient agrees to indemnify the State and its officers, agents, and employees against and to hold the same free and harmless from any and all claims, demands, damages, losses, costs, expenses, or liability due or incident to, either in whole or in part, and whether directly or indirectly, arising out of the Project.

ARTICLE A-15. REMEDIES NOT EXCLUSIVE

The use by either party of any remedy specified herein for the enforcement of this Contract is not exclusive and shall not deprive the party using such remedy of, or limits the application of, any other remedy provided by law.

ARTICLE A-16. AMENDMENTS

This Contract may be amended at any time by mutual agreement of the parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grant Recipient for amendments must be in writing stating the amendment request and the reason for the request.

ARTICLE A-17. OPINIONS AND DETERMINATIONS

Where the terms of this Contract provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

ARTICLE A-18. CONTRACTING OFFICER OF THE STATE

The contracting officer of the State shall be the Director of the Department of Water Resources of the State of California and his successors, or their duly authorized representatives. The contracting officer shall be responsible for all discretionary acts, opinions, judgments, approvals, reviews, and determinations required by the State under the terms of this Contract.

ARTICLE A-19. WAIVER OF RIGHTS

None of the provisions of this Contract shall be deemed waived unless expressly waived in writing. It is the intention of the parties hereto that from time to time either party may waive any of its rights under this Contract unless contrary to law. Any waiver by either party hereto of rights arising in connection with this Contract shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

ARTICLE A-20. NOTICES

All notices that are required either expressly or by implications to be given by one party to the other under this Contract shall be signed for the State by its contracting officer and for the Grant Recipient by such officers, as from time to time, it may authorize in writing to so act. All such notices shall be deemed to have given if delivered personally or if enclosed in a properly addressed postage-prepaid envelope and deposited in a U.S. Post Office for delivery by registered or certified mail.

ARTICLE A-21 INSPECTION OF BOOKS, RECORDS, AND REPORTS

During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Contract or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Contract. Failure or refusal by the Grant Recipient to comply with this provision shall be considered a substantial failure to comply with this Contract, and the State may withhold disbursements to the Grant Recipient or take any other action it deems necessary to protect its interests, as provided in Article B-2.

ARTICLE A-22. SUIT ON CONTRACT

Each of the parties hereto may sue and be sued with respect to this Contract.

ARTICLE A-23. CLAIMS DISPUTE CLAUSE

Any claim that the Grant Recipient may have regarding the performance of this agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the Director, Department of Water Resources, within thirty (30) days of the Grant Recipient's knowledge of the claim. If this attempt fails, the next step shall be resolution of the claim through nonbinding mediation. If this second step fails, both parties shall have the opportunity to exercise their rights under Article A-22 of this Contract.

ARTICLE A-24. DOCUMENTATION OF PROJECT BENEFITS AND COSTS

After project completion, within ninety (90) days after the first operational year has elapsed, the Grant Recipient shall submit a summary of the operations for the Project. This report shall include a description of the operation of the project, its effectiveness, and data on the sources and amounts of water recharged and extracted (project yield). The Grant Recipient shall also report any additional costs and/or benefits deriving from the Project. This record keeping and reporting process shall be repeated for a total of 5 operational years. These reports shall be submitted to the Department of Water Resources, Division of Planning and Local Assistance.

ARTICLE A-25. DRUG-FREE WORKPLACE CERTIFICATION

(a) Certification of Compliance:

By signing this Contract, the Grant Recipient, its contractors or subcontractors hereby certify under penalty of perjury under the laws of the State of California compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- (1) Publish a statement notifying employees, contractors and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors or subcontractors for violations, as required by Government Code Section 8355(a).
- (2) Establish a Drug-Free Awareness Program, as required by Government Code Section 8355(b) to inform employees, contractors or subcontractors about all of the following:
 - (a) The dangers of drug abuse in the workplace,
 - (b) The Grant Recipient's policy of maintaining a drug-free workplace,
 - (c) Any available counseling, rehabilitation, and employee assistance programs, and
 - (d) Penalties that may be imposed upon employees, contractors or subcontractors for drug abuse violations.
- (3) Provide as required by Government Code Sections 8355(c), that every employee, contractor and/or subcontractor who works under this Contract:
 - (a) Will receive a copy of the Grant Recipient's drug-free policy statement, and
 - (b) Will agree to abide by terms of the Grant Recipient's condition of employment, contract or subcontract.

(b) Suspension of Payments:

This contract or grant may be subject to suspension of payments or termination, or both, and the Grant Recipient may be subject to debarment if the Department determines that:

- (1) The Grant Recipient, its contractors or subcontractors have made a false certification, or,
- (2) The Grant Recipient, its contractors or subcontractors violates the certification by failing to carry out the requirements noted above.

ARTICLE A-26. AMERICANS WITH DISABILITIES ACT

By signing this Contract, contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

ARTICLE A-27. CONFLICT OF INTEREST

(a) Current State Employees:

(1) No State officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity or enterprise is required as a condition of regular State employment.

(2) No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

(b) Former State Employee

(1) For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency.

(2) For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

ARTICLE A-28. NO THIRD PARTY RIGHTS

The parties to this Contract do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Contract, or of any duty, covenant, obligation or undertaking established herein.

ARTICLE A-29. SEVERABILITY

Should any portion of this Contract be determined to be void or unenforceable, such shall be severed from the whole and the Contract shall continue as modified.

ARTICLE A-30. TERMINATION

The State may terminate this Contract under Article B-2 of Exhibit B.

ARTICLE A-31. UNION ORGANIZING

The Grant Recipient, by signing this Contract, hereby acknowledges the applicability of Government Code 16645 through 16649 to this agreement. Furthermore, Grant Recipient, by signing this agreement, hereby certifies that:

- (a) No State funds disbursed by this grant will be used to assist, promote, or deter union organizing
- (b) Grant Recipient shall account for State funds disbursed for a specific expenditure by this grant to show those funds were allocated to that expenditure.
- (c) Grant Recipient shall, where State funds are not designated as described in (b) above, allocate, on a prorate basis, all disbursements that support the grant program.
- (d) If Grant Recipient makes expenditures to assist, promote, or deter union organizing, Grant Recipient will maintain records sufficient to show that no State funds were used for those expenditures and that Grant Recipient shall provide those records to the Attorney General upon request

EXHIBIT B

GRANT CONTRACT SECURITY REQUIREMENTS

ARTICLE B-1. PERFORMANCE AND ASSURANCES

Grant Recipient agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in the final plans and specifications as submitted or as later amended and approved by the State under this Contract and to apply State funds received only to Eligible Project Costs and to operate and maintain the Project in accordance with applicable provisions of the law. In the event the State finds it necessary to enforce this provision or any right of power under this Contract in the manner provided by law, Grant Recipient agrees to pay all costs incurred by the State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

ARTICLE B-2. DEFAULT PROVISIONS

- (a) The Grant Recipient will be in default under this agreement if any of the following occur:
 - 1) Substantial breach of this Contract, or any supplement or amendment to it, or any other agreement between the Grant Recipient and the State evidencing or securing the Grant Recipient's obligations;
 - (2) Making any false warranty, representation, or statement with respect to this Contract;
 - (3) Failure to make any remittance required by this Contract.
- (b) Should an event of default occur, the State may do any or all of the following:
 - 1) Declare the Grant be immediately repaid, with interest, which shall be equal to the State of California general obligation bond interest rate in effect at the time of the default;
 - (2) Terminate any obligation to make future payments to the Grant Recipient;
 - (3) Terminate the Contract;
 - and
 - (4) Take any other action that it deems necessary to protect its interests.
- (c) The Grant Recipient agrees that any remedy provided in this Contract is in addition to and not in derogation of any other legal or equitable remedy available to the State as a result of a breach of this Contract by the Grant Recipient, whether such breach occurs before or after completion of the Project.
- (d) No waiver by the State of any breach or default will be a waiver of any breach or default occurring later. A waiver will be valid only if signed by the State or its authorized agent.

EXHIBIT C
CONSTRUCTION PROJECT DESCRIPTION
County of Los Angeles Department of Public Works
San Gabriel River Valley Boulevard Rubber Dams No. 2 and No. 3

Purpose of Project

The objective of the project is to retain storm water runoff for aquifer recharge via downstream spreading basins. Estimates of yield approximate an annual average increase of 3,414 acre-feet.

Scope of Project

The installation of two rubber dams includes planning and design of dam foundation, dam bypass, anchor system, operation facilities (control room and office) and security fencing, obtaining permits and CEQA documentation, construction of dam appurtenances and facilities, and installation of the rubber dams. At the completion of the project, the dams should be operational.

Project Location

The project is located in Section 27, Township One South and Range 11 West, San Bernardino Baseline and Meridian. The site is on the San Gabriel River between the confluences of Walnut Creek and San Jose Creek downstream of Valley Boulevard and rubber down No. 1.